

HANTMAN & ASSOCIATES

ATTORNEYS AT LAW
1120 Avenue of the Americas
4th Floor
New York, New York 10036
(P) 212-684-3933
(F) 212-465-2192
www.Hantmanlaw.com

ROBERT J. HANTMAN
rhantman@hantmanlaw.com
New York, New Jersey, & Florida Bars

BY ECF

April 3, 2025

The Honorable Pamela K. Chen
United States District Judge
United States District Court, Eastern District
225 Cadman Plaza East
Brooklyn, New York 11201

Re: *Securities and Exchange Commission v. Xia, et al.* U.S. Dist. Ct., Dkt. No.
1:21-cv-05350-PKC-JAM

Dear Judge Chen,

As Your Honor is aware, we represent Defendant Richard Xia and Fleet New York Metropolitan Regional Center LLC (“Fleet”) in the above-referenced matter. We also represent Mr. Xia and his affiliated companies, Fleet Financial Group, Inc., X & Y Development Group, LLC, and Perini Group, Inc. (collectively, “Moving Defendants¹”), in *Molina v. Xia et al.*, No. 22-Civ-00864 (PKC) (JAM) which is also pending before Your Honor and Magistrate Judge Marutollo. We respectfully renew our earlier request for the release of \$45,000 in frozen assets in this action (ECF No. 540) for the purpose of funding the First Payment under the Court-approved settlement in *Molina*.

As reflected in the parties’ executed Settlement and Release Agreement (*Molina* ECF No. 81-1, ¶ 1(a)(i)(a)), the Xia Defendants are required to:

“[p]etition the Court for a release of Forty-Five Thousand and Zero Cents (\$45,000) ... from the Xia Defendants’ asset freeze ... and upon the District Court issuing an Order releasing the funds ... shall make payments to Plaintiffs pursuant to the First Payment Distribution ... totaling Forty-Five Thousand Dollars and Zero Cents (\$45,000.00).

We respectfully submit this renewed request as the ten-day deadline under the parties’ settlement agreement—triggered by the Court’s approval of the settlement on March 24, 2025—

¹ We do not represent Defendant Gotham Framing, Inc. (Gotham Framing). After the *Molina* Court vacated the Clerk’s entry of default against Defendants, Plaintiffs renewed their motion for default judgment against Gotham Framing on October 4, 2024, which remains pending before the *Molina* Court. A hearing on Plaintiffs’ renewed motion for default judgment against Gotham Framing is scheduled for April 10, 2025.

FLORIDA
HANTMAN & ASSOCIATES
650 WEST AVENUE
SUITE 2408
MIAMI BEACH, FL 33139

NEW JERSEY
JOSEPH J. FERRARA
OF COUNSEL
111 PATERSON AVENUE
HOBOKEN, NJ 07030

FLORIDA
ENTIN & DELLA FERA, P.A.
OF COUNSEL
110 SE 6TH ST., SUITE 1970
FORT LAUDERDALE, FL 33301

expires on April 3, 2025. Because the settlement expressly requires Court approval for the release of funds from the asset freeze, and no such release has yet been authorized, we believe it is appropriate to bring this matter back to the Court's attention at this time. Counsel for Plaintiffs in *Molina* support and join in this request. The *Molina* action involves, *inter alia*, claims of unpaid and overtime wages on behalf of thirteen *Molina* Plaintiffs for work done in December 2019 and January 2020. Four of those Plaintiffs also have claims of retaliation. The total settlement amount is \$60,000, of which \$35,114.75 is allocated for payment of the alleged unpaid and overtime wages to be distributed among the thirteen *Molina* Plaintiffs and \$24,885.25 is allocated as retaliation damages to be distributed among four of those Plaintiffs. (*Molina* ECF No. 81-1, Exhibit A). Pursuant to the settlement distribution, the first installment involves the request for the release of \$45,000 while the asset freeze is still in place. Once the asset freeze is lifted, there will be a request for the release of the remaining \$15,000. Thus, releasing the first installment of \$45,000 would allow for payment of 100% of the *Molina* Plaintiffs' unpaid and overtime wages claimed, which these workers should have been paid over five years ago.

Your Honor previously acknowledged this issue during the February 12, 2025 conference, noting that the Court "denied it only because if all goes according to plan, freeze itself should be lifted by the end of March" and that, if so, "Mr. Xia will have access to those funds to pay off that settlement" (Feb. 12, 2025 Hr'g Tr. at 36:1–7). Now that the settlement has been approved and the asset freeze remains in effect as of this filing², we respectfully submit that release of the \$45,000 is both appropriate and necessary to effectuate the Court-approved resolution in *Molina*.

The *Molina* Court has now approved the *Cheeks* settlement, and the asset freeze remains in place. In light of these circumstances, we respectfully submit that release of the \$45,000 is now both appropriate and necessary to effectuate the Court's prior guidance and to give full effect to the approved settlement.

As detailed in our prior submission, the *Molina* case arises from unpaid wage claims connected to the Eastern Mirage project, a core subject of the SEC's allegations. The \$45,000 requested is *de minimis* relative to the over \$270 million in frozen assets and previously authorized disbursements exceeding \$19.5 million. Releasing these funds would allow the Defendants to satisfy their court-ordered obligations, bring closure to a parallel case before this Court, and avoid unnecessary post-judgment litigation over performance.

We appreciate the Court for its consideration and remain available to provide further information if needed.

Respectfully submitted,

/s/ Robert J. Hantman, Esq.

² We recognize that at the April 2, 2025 conference, the Court denied *Xia* Defendants' motion to extend the Final Judgment payment deadline. The instant request is made to fulfill the *Molina*'s Moving Defendants' obligation under the Court-approved *Molina* settlement, which requires a petition for release of funds by April 4, 2025, and is not intended to revisit issues previously raised regarding the asset freeze.

Robert J. Hantman, Esq.
HANTMAN & ASSOCIATES
www.hantmanlaw.com
1120 Avenue of the Americas 4th Floor
New York, NY 10036
Tel: (212) 684-3933
Fax: (646) 380-3299
rhantman@hantmanlaw.com
*Counsel for Defendant Xia
and Fleet*

cc: all counsel of record (by ECF)